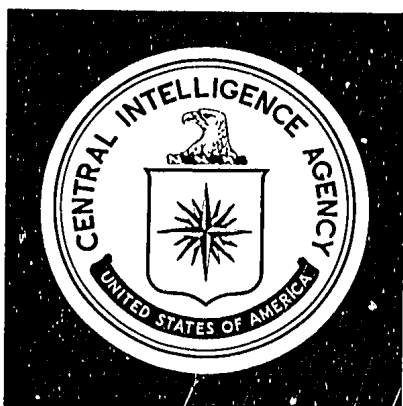


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OFFICE OF
NATIONAL ESTIMATES

MEMORANDUM

The Pacific Trust: Problems of Independence

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15 July 1972

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

13 July 1972

MEMORANDUM^{*}

SUBJECT: The Pacific Trust: Problems of Independence

NOTE

Various government departments have been heavily involved in negotiating a new US relationship with the Micronesians; and there will be further talks with their representatives this summer. The intelligence community, however, has had relatively little contact with the situation, and almost nothing has been published about it in formal intelligence issuances. We think it important that Asian specialists in the community, at all levels, have at least some understanding of the political environment in the Trust Territory: to help in thinking about future basing arrangements in the Western Pacific; and to add an ingredient to discussions of the evolving US-Japanese relationship.

The paper should also provide sufficient background for those who wish to follow the forthcoming negotiations on Micronesian independence. As the text indicates, the greatest obstacles to attainment of some sort of permanent US tie with Micronesia are the divergent interests of the various districts of the territory.

^{*} This Memorandum was prepared by the Office of National Estimates and discussed within CIA.

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DISCUSSION

I. TOWARD A NEW RELATIONSHIP*

1. Ten years ago the Kennedy Administration resolved to bring Micronesia -- the Marianas, Carolines, and Marshalls** -- into permanent association with the US. This decision set in train a variety of measures designed to ensure local acquiescence in US plans and to disarm potential foreign critics as well. The earliest changes involved a reversal of the attitude of neglect which had characterized US policy in the TTPI -- the Trust Territory of the Pacific Islands -- since World War II. Relatively large

* In 1947, the UN Security Council placed the former Japanese-mandated islands of the Pacific -- now designated the Trust Territory of the Pacific Islands -- under US administration. Designated "a strategic area" by the Council, there were no restrictions on US use of the islands for military purposes. As in the case of other UN trust territories, however, there is a US obligation to promote progress toward "self-government or independence." In fact, external pressures on the US to move in this direction have been slight.

** See attached map. The Caroline Islands are divided into four administrative districts -- Palau, Yap, Truk, and Ponape; the Marianas and Marshalls each constitute a district.

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sums of economic aid began to pour into the territory; the annual aid level rose from \$7 million to about \$60 million in recent years. The establishment of a popularly elected Micronesian Congress was authorized in 1965 to meet the US obligation to the UN to promote self-government or independence. Since 1969, there has been a concerted effort to "Micronize" the local administration -- to replace American "expatriates" with Micronesians, at least at lower and middle levels. And, at about the same time, US and Micronesian representatives opened negotiations on the territory's future political status.

2. The efforts of the past decade have had several unanticipated effects. The increased economic aid has led to the well-known "Gimme" syndrome. Many Micronesian leaders have come to look upon aid handouts as a personal gravy train especially after they discovered that some local administrators would close their eyes to even the most blatant misuse of US funds. The combination of lots of money, a permissive attitude, and the Micronization of the district administrations has assured that almost every Micronesian leader has his finger in the pie -- and will continue to ask for more.

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3. US efforts to "Americanize" the population appear to have backfired politically as well. American-style education has instilled some understanding of the principles of democracy and sovereignty among younger Micronesians. Furthermore, some American teachers -- including those with the Peace Corps -- have encouraged the Micronesians to seek full political independence and have encouraged criticism of -- if not outright hostility to -- any US military presence in the territory. These factors have contributed to the organization of an "Independence Coalition" within the Micronesian Congress and to the establishment of more radical independence-minded groups as well. One of the better known of these is the "Friends of Micronesia" with offices in Boston and Berkeley; so far, however, it has only a small Micronesian following, mainly among Micronesian students in the US. Indeed, for most Micronesians the politics of independence remains a remote and confusing affair.

4. On the "diplomatic" level, after three years and four rounds of talks, US and Micronesian negotiators have made some progress. At the most recent session, at Palau

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in April 1972, the US delegation for the first time acceded to Micronesian demands for recognition of the key principle of "free association" -- that Micronesia shall have the right to terminate unilaterally any future political association with the US. In return, the Micronesian delegation agreed -- in principle -- to accept US authority over Micronesian foreign affairs and defense, so long as the association was maintained.

5. The "concessions" on termination, foreign affairs and defense are highly qualified, however. There is no agreement as to when the Micronesian right of unilateral termination would take effect -- the US has proposed 15 years after a new political relationship is established and the Micronesians have proposed 5 years. Nor is there agreement on what the termination procedure might entail; the US seeks methods complex enough to help discourage any termination movement. In addition, despite their stated willingness to leave foreign affairs and defense matters in US hands, the Micronesians are insisting on at least theoretical US recognition of Micronesian sovereignty on these matters; they wish to regard the US as being only

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their "agent" in foreign relations and to restrict severely US defense authority. The US, on the other hand, seeks full foreign affairs and defense authority. The US has agreed to respect Micronesia's right to internal self-government, and to forego the right of eminent domain. In return, however, the US is insisting on some commitments which would survive even complete Micronesian independence -- i.e., base rights and base options in certain areas, the right to seek use of land temporarily in emergency situations, and the right to deny any other country the use of Micronesian territory for military purposes.

6. The keys to the current negotiation seem to be the US desire for basing privileges and for full foreign affairs and defense authority coupled with the Micronesian desire for dignity and dollars. In the Marshalls, the US wants to continue the use of the Army's missile-testing range at Kwajalein, but is not asking for the retention of Eniwetok. It was recently announced that the Air Force will release Eniwetok to the TTPI administration by the end of 1973. In the Marianas, the US requires land for a base complex on Tinian Island. In Palau, the US wants to retain options to lease land for a wide range of contingencies, including the building of naval and storage facilities.

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7. The Micronesians, for their part, have what some US observers regard as delusions of grandeur, stemming from expectations of "subsidized independence." The Micronesian delegation at Palau, for example, proposed an annual US subsidy for the territory of \$100 million -- \$50 million in economic aid and \$50 million in return for US basing privileges and the denial of entry to military-connected activities of foreign nations. (This would amount to some \$1000 a year for each Micronesian.) The \$100 million figure does not include direct US spending in the area, which is now some \$15-20 million annually -- mostly in connection with the Kwajalein installations and for various US programs and services.

8. A new factor that may complicate bilateral negotiations was introduced at the Palau talks: there was a formal request by representatives of the Marianas for a completely separate political settlement with the US. The US has agreed to this request, despite indications that such a deal might result in further political fragmentation. The Marianas move has already brought out latent separatist tendencies in the Marshalls, and may soon have the same

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effect in Palau. These three districts are the "haves" of Micronesia -- because US military interest in them assures a measure of economic security to which the other districts cannot even aspire.

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II. THE WHOLE IS NOT EQUAL TO THE SUM OF THE PARTS

"We were united in seeking a change of status and now -- as we approach agreement on status -- we are beginning to lose our unity."

Senator Lazarus Salii (Palau),
Chairman, Micronesian Joint
Committee on Political Status

A. The "Haves"

9. *The Marianas.* Guam, the largest and most important of the Marianas, has been an unincorporated territory of the US since 1898, and is not part of the TTPI. But Guam, of course, is a major center for US air and naval operations in the Western Pacific, and the other islands of the Marianas group tend to live in its shadow. Indeed, there are more people -- 80,000 or more Guamanians plus 30-40,000 US servicemen -- on Guam's 225 square miles than in the entire TTPI.

10. Outside of Guam, most of the population of the Marianas lives on Saipan, with some 11,000 inhabitants; there are only 700 on Tinian (including dogs and cats),

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and perhaps 300 elsewhere. The people are primarily Chamorros, closely related to the Chamorros on Guam, and quite distinct from other Micronesians.* Ethnically, the Chamorros bear little resemblance to other Micronesians because of heavy admixtures of Hispanic, Filipino, Japanese, and Caucasian blood. Historically, they have been under foreign rule about 200 years longer than most other peoples of Micronesia. In this long historical process, the Chamorros lost most of their traditional cultural patterns, adopting instead a westernized approach to the ownership of land and capital, and social attitudes akin to those of the Filipinos.

11. From 1945 until 1962, the Marianas were governed by the US Navy, quite separate from the rest of the TTPI which was under Interior Department control. In 1962, the Interior Department's authority was extended to include the Marianas. But the attempt to integrate the Marianas with the rest of the TTPI -- which included housing the

**There is a small (2,000) "Carolinean" community descended from migrants from Truk and Yap.*

Congress of Micronesia on Saipan in the mid-1960s -- never really took hold. The Chamorros had little in common with other Micronesians and resented being lumped together with them. In February 1971, the Marianas District Legislature resolved to "secede" from the TTPI "by force of arms if necessary, with or without the approval of the United Nations." Apparently to dramatize the point, arsonists burned down the Congress of Micronesia on the day after the resolution was passed.

12. The Marianas was the only TTPI district that strongly favored accepting the original US offer of Commonwealth status for Micronesia (on the model of Puerto Rico -- i.e., with a Federal right of eminent domain, with substantial benefits as US citizens, and without the right of unilateral termination). Now, they would probably prefer a Commonwealth arrangement with the US for the Marianas alone. The US may decide to sidetrack ideas of Commonwealth status for the Marianas, however, and offer Territorial status instead. This would place the Marianas on an equal footing with Guam -- and perhaps make it easier for the US to persuade Guam to accept "reintegration" with Saipan, Tinian, and the rest, possibly with an eventual offer of Commonwealth status for a single Marianas Territory.

13. In plebiscites in 1969, Guam voters, in a light turnout, opposed "reintegration" by a 3 to 2 margin, while voters in the rest of the Marianas favored it by about the same margin. Some Saipanese politicians and businessmen seem to fear domination by the more numerous and more sophisticated Guamanians, though the average Saipanese seems attracted by the bright lights and the employment and educational opportunities on Guam. Many of Saipan's leaders also look with envy at the boom conditions which Guam has enjoyed as a result of the US military presence and of burgeoning Japanese tourism and investment.

14. The Marianas already enjoy a much higher standard of living than other TTPI districts, and the Chamorros do not like the idea of sharing the wealth with their poor relations elsewhere in Micronesia. They probably also believe that a separate settlement with the US would enable them to work out less restrictive policies toward Japanese trade and investment than might be the case in a united Micronesia. And they would hope to keep the anticipated economic benefits of any new military facility on Tinian to themselves.

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15. *The Marshalls*. In contrast to the Marianas -- where anti-US sentiment is minimal -- there is some bitterness and frustration in the Marshalls about the way the US has exercised its authority there. Though the vast majority of the roughly 20,000 Marshallese are politically passive, there is an undercurrent of resentment at the manner in which land has been taken for military use, the levels of compensation for persons displaced from Bikini, Eniwetok, and Kwajalein, the living conditions on Ebeye Island (where the Marshallese workforce employed at Kwajalein is quartered), and -- at least until the recent announcement -- the continuing US retention of Eniwetok. Much of the criticism of the US military in the Marshalls can be traced back to the Iroij (hereditary high chiefs), who encourage popular resentments mainly to stake out a better bargaining position in their dealings with the US.

16. Marshallese political attitudes must be viewed in the context of the local power structure in the islands. Historically, land was held corporately in the Marshalls, with commoners paying tribute to the Iroij for the use of the land. At the same time, the traditional system imposed

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obligations on the Iroij to redistribute some portion of the tribute to those below them. Under the US administration, however, the system has lost its traditional balances; US officials have tended to regard the Iroij as "kings" and have dealt with them as though they had an unqualified right to dispose of land. This *de facto* US recognition of the "right" of the Iroij to dispose of land has given them enormous political and economic power over other Marshallese. Many Iroij, [REDACTED] [REDACTED] have taken to seizing lands arbitrarily for their own economic benefit. Other Marshallese seem to have no way of stopping such depredations or making the Iroij exercise power responsibly.

17. [REDACTED]

[REDACTED] is playing a waiting game on the status question. His main concern seems to be to protect his personal political position and his complex business and land manipulations. [REDACTED]

[REDACTED] has been an outspoken advocate of Micronesian independence. [REDACTED] has himself indicated an interest in following

the example of the Marianas in opting for a separate settlement with the US, though he would insist on "free association" rather than Commonwealth or Territorial status. He has approached the US along these lines, partly in pique over Ponape-Yap-Truk opposition to a bill which would have provided that 50 percent of all internal TTPI tax revenues be remitted annually to the districts from which they were derived. Since the bulk of the TTPI's internal revenue (about 80 percent of the total of \$1 or \$2 million annually) derives from Kwajalein, the Marshalls regarded this bill as a generous proposal.

18. Many Marshallese commoners believe that free association or independence would mean only further abuse of power and position by [] and other Iroij associated with the military installations at Kwajalein and the district administrative center at Majuro. Thus, a number of commoners favor maintaining fairly close ties with the US in the hope that Washington will provide some restraint on Iroij abuse of power. For much the same reasons, they also oppose separate status for the Marshalls. Nonetheless, a majority of non-Iroij will probably follow the guidance of their leaders on the status question.

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19. *Palau.* Anti-American sentiment goes even deeper on Palau than in the Marshalls. It is strongest among the educated and semi-educated "elite" of Koror -- the urban district center where roughly half of Palau's 12,000 people live. The heart of the problem is that the TTPI administration, by virtue of inheritance from the Japanese government, holds about two-thirds of all the land in the Palau district, including much of Koror and almost all of Babelthuap Island. As a result, both major political parties are critical of the administration for withholding Palauan land from the Palauans.

20. The Palauan political system is based on traditional family and clan rivalries in the guise of modern political parties. The dominant Liberal Party demands that all public lands be returned to the "original owners" -- i.e., Koror clan groups -- while the opposition Progressive Party favors "homesteading." "Homesteading" would allow the inhabitants to obtain title to lands they are presently leasing, but would deprive the original Koror clans of their "rights." The issue creates considerable tension because the original Koror clans are now in a numerical minority in Koror proper. If public lands were

returned to the clans, the majority of Koror's residents could be ejected from their homes and businesses or be subjected to rent-gouging. There is some concern that an end to the trusteeship might lead to bloodshed on Palau, as opposing camps fight for possession of public land and power. Already, during election campaigns, Palau becomes a virtual armed camp.

21. Most Palauans, particularly those in the TTPI administration, are resigned to the idea that Palau needs the US and cannot go it alone. While Palauans occasionally talk a good game of Micronesian independence, essentially -- like the Marshallese leaders -- they do so to build up their bargaining position vis-a-vis the US. Many Palauans might also welcome US military installations for reasons of cupidity. This attitude would by no means assure a trouble-free tenure for any future US military presence, however.

22. The Palauans are said to be unique among Pacific islanders in the manner in which they combine moodiness, intense nationalism (Palauan, not Micronesian), self-assertiveness, competitiveness, adaptability, and a propensity

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for violence. The Palauan role in Micronesia is like that of the Ilocanos in the Philippines in that their energy, aggressiveness, and pursuit of education have resulted in a disproportionate number of Palauans in key positions throughout the TTPI administration -- especially at territorial headquarters in Saipan. Palauans also staff bars, business houses, and other private enterprises everywhere in the territory. They are resented and disliked by other Micronesians.

23. The narrow nationalism of most Palauans is so complete that they are disinterested in, even disdainful of, other districts. Still, most would probably accept continuing association with the balance of the TTPI (and the US) provided Palau could have control over its land, internal self-government, and direction of its economic development. If, however, the Marianas are successful in making an advantageous separate settlement for themselves -- and certainly if the Marshalls move in that direction too -- the Palauans would also have a strong incentive to go the separatist route.

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B. The "Have-nots"

24. *Ponape and Yap.* The most important fact about the other districts -- Yap, Ponape, and Truk -- is that the US does not seem to have any military plans for them, therefore they have very little leverage on the US. Ponape (population about 20,000) and Yap (about 7,000) are relatively "soft" districts, which, in the final analysis, would probably go along with almost any form of association with the US which would provide for local control of their affairs and which would not threaten their lands. They are the least likely of all the districts to air openly grievances about US treatment. Ponape and Yap have another concern, however, -- that if the Marianas and then perhaps the Marshalls and Palau make separate settlements with the US, they could be thrown together into a fourth association dominated by Truk.

25. *Truk.* Anti-US and pro-Micronesian independence sentiment is stronger in Truk, at least among key leaders, than anywhere else in Micronesia. And unlike the Marianas, the Marshalls, and Palau, the vast majority of the 30,000 Trukese are not inclined to sell any part of their "sovereignty"

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for the economic benefits of US military installations. There is widespread suspicion that the US wants to establish a naval base at the former Japanese naval stronghold at Truk lagoon, despite US assurances to the contrary. Opposition to any such development in Truk is genuine and virtually total.

26. At least half of the Trukese congressional delegation has come out, at one time or another, in favor of Micronesian independence. The roots of this sentiment lie in a desire to preserve Trukese culture and traditions, coupled with deep-rooted hostility toward foreigners. In realistic terms, the Trukese leadership now appears to favor some form of very loose free association which would not hedge on Micronesian sovereignty and which in reality would be disguised and subsidized independence. They are opposed to a separate status settlement between the US and the Marianas, not only because of the loss of Marianas' revenues, but because they fear that the Marshalls and Palau would follow suit once a separatist precedent was established.

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III. THE POLITICAL PROSPECT

27. The US desire to work out a new relationship with the Micronesians has been given new impetus by increasing official concern over the future of the US base structure in Japan, Okinawa, and -- most recently -- the Philippines. Bilateral negotiations resumed in Washington in mid-July and may include commencement of the drafting of a compact of association. This will require prior resolution of the knotty problems of "free association", including those of foreign affairs and defense. Other unresolved matters -- including the level of US economic assistance -- will probably also be discussed. It is possible that agreement will be reached on most substantive issues and that a draft compact will be submitted to a special session of the Congress of Micronesia, which is to meet on Ponape in mid-August. But the chances of such rapid progress are no better than even; indeed, the talks could break down over any one of a number of troublesome basic principles.

28. The Micronesian Congress is expected to enact enabling legislation for a constitutional convention

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tasked with drafting a structure of internal self-government for Micronesia under the post-trusteeship relationship with the US. If all does go according to schedule, these issues could be central in the Micronesian congressional elections which are scheduled for November of this year. (Elections will be held for all 21 House seats and for 6 Senate seats -- one half of the Senate.) Once the compact is adopted by the Congress of Micronesia and ultimately by the US Congress, a plebiscite on the future relationship with the US will presumably follow in several years. Final US acceptance of the compact, however, is predicated on pre-negotiated US basing rights.

29. One interesting (and possibly confusing) aspect of the forthcoming negotiation is that the Marianas may continue, at least nominally, to participate in the work of the Micronesian Status Committee at the same time that the new Marianas Status Committee will be undertaking separate negotiations with the US. As the Marianas with US concurrence, go their own way, it may become difficult to hold the other five Micronesian districts together. We have seen that centrifugal tendencies are already operating in the Marshalls, and it would not

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take much to activate similar forces in Palau. In this situation, the US would still have considerable leverage over the choices of the remaining districts -- primarily because it holds the power of the purse -- but Marianas' "secession" would introduce new elements of uncertainty into an already difficult negotiating situation.

30. Not that the concept of a unified Micronesian state has any sort of firm base; existing ties between the various island groups are tenuous and largely artificial. And US insistence on "national unity" in any Micronesian settlement might easily create more problems than it solves. It is not unprecedented, for example, for minor segments of newly independent states to attempt secession from imposed or distasteful political unions, with consequent embarrassment to that union's creator. (Base problems, of course, will be a fruitful source of local controversy in an independent Micronesia under almost any foreseeable set of circumstances.) There even could be some advantage to the US flowing from fragmentation of the territory.

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IV. INTERNATIONAL ASPECTS

31. There does not seem to be much chance, however, that the US will lose all control of the situation and find itself with a serious "colonial" problem, now or soon after implementation of Micronesia's new status. The fact is that Micronesia now has no practical alternative to continued linkage with the US Government -- no matter what the precise format eventually settled upon -- as long as the US wants to retain its predominant position in these islands and is unwilling to chance opening the area to the military of other nations, friendly or otherwise. And the Micronesians know this. They recognize, too, the concrete economic advantages of continued association with the US.

32. At present, there is only one competitor for the US in Micronesia: Japan. Japanese economic activity is already extensive in Palau and the Marianas and, to a lesser extent, in Truk and the Marshalls; there are even Japanese business interests in Yap and Ponape.

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35. As for the Soviets and Chinese, Micronesia at least is one fragment of the globe where neither seems likely to make significant inroads -- political or military -- for many years. Both may make occasional noises about "American imperialism" in the territory -- particularly now that China too is represented on the UN Trusteeship Council. They may even get some grist for their propaganda mills from some of the more radical sentiment recently surfaced in the territory -- e.g., the call by influential Trukese Senator Andon Amarach for the "neutralization" of Micronesia. If in future years the islands should achieve independence, it is possible that the Soviets or Chinese would be tempted to try to undermine residual US treaty rights and seek use of shore facilities and anchorages for their navies. But at this juncture, neither could see much profit in -- or much opportunity for -- challenging US dominance.

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